

Message Text

LIMITED OFFICIAL USE

PAGE 01 WARSAW 01841 01 OF 02 151612Z
ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00
SP-02 AID-05 EB-08 NSC-05 SS-15 STR-04 OMB-01 CEA-01
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 L-03 H-01 /078 W
-----151629Z 041579 /53
O 151543Z MAR 77
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC IMMEDIATE 7081

LIMITED OFFICIAL USE SECTION 1 OF 2 WARSAW 1841

PASS TREASURY FOR UNDER SECRETARIES SOLOMON AND ANDERSON

EO 11652N/A
TAGS: ETRAD PL
SUBJ: ANTI-DUMPING ACTION ON POLISH GOLF CARTS

REF: WARSAW 1772

1. SUMMARY: I MET WITH VICE MINISTER STRZELECKI
YESTERDAY BEFORE HIS DEPARTURE FOR CONSULTATIONS IN
WASHINGTON. HE GAVE ME AN EIGHT-PAGE AIDE MEOIRE WHICH
ATTEMPTS TO JUSTIFY RECONSIDERATION OF SOME ASPECTS OF
TREASURY'S DECISION ON GOLF CARTS. HE SAID AMBASSADOR
TRAMPCZYNSKI WAS TO PRESENT THIS PAPER TO TREASURY
IN WASHINGTON BEFORE HIS DELEGATION'S ARRIVAL. SINCE
MUCH OF THE PAPER REPEATS POINTS WHICH HAVE BEEN MADE
PREVIOUSLY TO TREASURY, ONLY THE MOST SALIENT ONES
ARE SUMMARIZED BELOW. STRZELECKI TOLD ME, AND THIS
PAPER MAKES CLEAR, THAT HE WISHES TO DISCUSS IN SOME
DETAIL THE METHODS OF CALCULATION USED BY CUSTOMS AND
THE POSSIBILITY OF CHANGES IN THAT APPROACH. HE
PLACED GREATER EMPHASIS THAN BEFORE ON WHAT HE CONSIDERS
TO HAVE BEEN US GOVERNMENTAL ASSURANCES ON THIS CASE.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WARSAW 01841 01 OF 02 151612Z

THE AIDE MEOIRE MAKES THE SAME POINT AND REFERS
SPECIFICALLY TO THE US-POLISH JOINT TRADE COMMISSION.
THESE ASSURANCES ARE NOT IDENTIFIED MORE SPECIFICALLY,
BUT IN THE PAST THE POLES HAVE SPOKEN OF THEIR CONFIDENCE
THAT THE OUTCOME WOULD BE "REASONABLE". FOR THE FIRST
TIME, TO MY KNOWLEDGE, THE POLES HAVE DESCRIBED AS
"POTENTIALLY SRBITRARY" SOME OF THE PROCEDURES IN THE

CASE. END SUMMARY.

2. THE FOLLOWING AGENDA FOR THE WASHINGTON DISCUSSIONS
IS IS SUGGESTED IN THE AIDE MEMOIRE:

A) ANALYSIS OF MATERIALS PROVIDED BY TREASURY ON
FEBRUARY 16, 1977, AS WELL AS INFORMATION FURNISHED
BY THE EXPORTER'S LAWYER ON FEBRUARY 4, 1977;

B) EXPLANATION OF THE MECHANISM FOR CALCULATING ANTI-
DUMPING DUTIES IN 1975;

C) ESTABLISHMENT OF THE MECHANISM AND PROCEURES FOR
MEASURING ANTI-DUMPING DUTIES FOR SALES IN 1976;

D) ELABORATION OF A FORMULA WHICH MIGHT ASSURE THAT FUTURE
SALES OF GOLF CARTS AND POLISH AIRCRAFT-INDUSTRY PRODUCTS
COULD TAKE PLACE WITHOUT THREAT OF ANTI-DUMPING DUTIES.
(COMMENT: THIS POINT PRESUMABLY REFERS TO LONG-TERM
CONTRACTS FOR GOLF CARTS SIGNED BY PEZETEL IN LATE
1976. END COMMENT)

3. THE MAJOR POINTS OF THE AIDE MEMOIRE ARE:

A) THE POLISH SIDE IS CONVINCED THAT ACCEPTABLE
SOLUTIONS CAN BE FOUND WHICH WOULD BE IN AGREEMENT
WITH "PREVIOUS ASSURANCES OF US AUTHORITIES UNDER-
TAKEN IN THE JOINT US-POLISH TRADE COMMISSION."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 WARSAW 01841 01 OF 02 151612Z

B) THE TREASURY DECISION TO USE INDUSTRIAL VEHICLES
PRODUCED BY MARATHON AS THE BASIS OF DETERMINING
FAIR VALUE IS NOTED WITH SATISFACTION.

C) THE MACHANISMS FOR CONSTRUCTING FAIR VALUE ARE
"QUESTIONS OF FUNDAMENTAL IMPORTANCE" WHICH ARE NOT
CLARIFIED IN THE SYNTHESIZED INFORMATION RECEIVED FROM
TREASURY. THE OPPORTUNITY FOR CONSULTATIONS IS THEREFORE
VERY MUCH APPRECIATED.

D) THE BASIS FOR CALCULATING FAIR VALUE HAS BEEN
VARIABLE, AND THE MOST RECENT CALUCLATIONS DEPART
FROM INFORMATION FURNISHED (TO THE POLES) IN 1975 AND
AT THE BEGINNING OF 1976.

E) THE POLISH SIDE IS CONCERNED THAT "THE DATA USED
AND THE METHOD OF THEIR ESTABLISHMENT COULD BE ARBITRARY."
THE DOCUMENTS SUPPLIED BY TREASURY INDICATE THAT THE
FINDINGS ON FAIR VALUE ARE NOT YET FINAL AND MIGHT BE

SUBJECT TO FURTHER CORRECTIONS, POSSIBLY TO THE DIS-
ADVANTAGE OF THE POLISH EXPORTERS.

F) THE SIZES OF THE ANTI-DUMPING DUTIES IN THE SEVERAL
PERIODS CONSIDERED ARE NOT COMPREHENSIBLE. THE
DUTIES FLUCTUATE FROM \$10 TO \$155 IN 1975 AND FROM
\$310 IN THE FIRST THREE QUARTERS OF 1976 TO ZERO IN
THE LAST QUARTER.

G) THIS FLUCTUATION IS NOT IN ACCORD WITH THE CONSTANT
UPWARD MOVEMENT IN THE COST OF PRODUCTION OF THE
PRODUCER OF COMPARISON, NOR WITH HIGHER PRICES CHARGED
BY PEZETEL.

H) THE SIZE OF THE ANTI-DUMPING DUTIES, IN PARTICULAR,
IS MUCH GREATER THAN THOSE WHICH HAD BEEN EXPECTED
BY THE POLISH EXPORTER.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 WARSAW 01841 01 OF 02 151612Z

I) WITH REGARD TO FUTURE SALES, THE US SHOULD INFORM
PEZETEL THAT IT IS NOT FACED WITH ANTI-DUMPING
OBSTACLES FOR THE DURATION OF ITS CONTRACTS SIGNED
IN THE LAST QUARTER OF 1976 AT PRICES ABOVE FAIR VALUE.
THIS STEP IS CONSIDERED NECESSARY SO THAT THE NEW CON-
TRACTS SIGNED BY PEZETEL CAN ENTER INTO FORCE.

J) THE SIZE OF THE ANTI-DUMPING DUTIES SHOULD BE REDUCED.
THIS COULD BE ACHIEVED BY PERMITTING PEZETEL TO PRESENT
NEW INFORMATION FROM THE CANADIAN MARKET FOR SALES
IN 1976 OR BY REFERRING TO 1975 CONTRACTS.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 WARSAW 01841 02 OF 02 151556Z
ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00
SP-02 AID-05 EB-08 NSC-05 SS-15 STR-04 OMB-01 CEA-01
L-03 H-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00
XMB-02 OPIC-03 LAB-04 SIL-01 /078 W
-----151628Z 041348 /53

O 151545Z MAR 77
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC IMMEDIATE 7082

LIMITED OFFICIAL USE SECTION 2 OF 2 WARSAW 1841

4. COMMENT: THE AIDE MEMOIRE MAKES ADDITIONAL POINTS WHICH TREASURY HAS HEARD BEFORE. WITHOUT COMMENTING ON THE COMPLICATED DISCUSSION IT CONTAINS OF THE MANNER OF CALCULATING FAIR VALUE, I THINK WE CAN DISTINGUISH TWO CLEAR GOALS OF THE POLISH DELEGATION: FIRST, A STATEMENT FROM CUSTOMS WHICH WOULD RECOGNIZE THE VALIDITY OF PEZETEL'S NEW CONTRACTS AND ALLOW IT TO OPERATE WITHOUT THREAT OF ANTI-DUMPING DUTIES OVER THE LIFE OF THE NEW CONTRACTS; SECOND, THE REDUCTION OF DUTIES FOR 1976, AND IF POSSIBLE, FOR 1975. VICE MINISTER STRZELIECKI WILL WANT A THOROUGH DISCUSSION OF THE DETAILS OF THE ANTI-DUMPING CALCULATIONS. HIS MAIN CONCERN, HOWEVER, WILL BE WITH THE BOTTOM LINE FOR PEZETEL. HE WANTS TO RETURN WITH SOME IMPROVEMENT IN THIS REGARD AND WITH BETTER ARGUMENTS WHICH HE CAN USE TO DEFEND THE REASONABLENESS OF THE USG POSITION FROM THE ATTACKS OF THE NUMEROUS SKEPTICS IN THE POLISH GOVERNMENT. HE LAID HEAVY STRESS ON HIS BELIEF THAT, "WITH GOOD WILL ON BOTH SIDES," A "REASONABLE" SOLUTION COULD BE FOUND. OBVIOUSLY? HE PARTICULARLY NEEDS TO BE ABLE TO PROVIDE HIS PRINCIPALS WITH PROOF THAT THERE IS GOOD WILL ON THE U.S. SIDE. END COMMENT.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WARSAW 01841 02 OF 02 151556Z

DAVIES

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RECREATION, EQUIPMENT, ANTIDUMPING LAW (TRADE), COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977WARSAW01841
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770088-1042
Format: TEL
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770356/aaaabwyn.tel
Line Count: 208
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5df780b7-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 WARSAW 1772
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3097495
Secure: OPEN
Status: NATIVE
Subject: ANTI-DUMPING ACTION ON POLISH GOLF CARTS
TAGS: ETRD, PL, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5df780b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009